Representative Jim Fannin
Chairman

Representative Simone Champagne
Vice Chairman

FY 14-15 Executive Budget Review
DEPARTMENT OF ENVIRONMENTAL QUALITY

House Committee on Appropriations
by the House Fiscal Division
March 31, 2014
Budget Overview

- Department Structure 3
- Comparison to Total State Budget 4
- Means of Finance Comparison 5
- 10-Year Budget History 6
- Major Sources of Revenues 7
- Expenditure Breakdown 8
- Expenditure History 9
- Significant Adjustments 11
- Discretionary/Non-Discretionary Funding 12
- Salaries and Positions 14
- Department Contacts 18
Department Structure

Office of the Secretary

- Executive Administration
- Business, Community Outreach and Incentives

Office of Environmental Compliance

- Enforcement Division
- Assessment Division
- Inspection Division
- Underground Storage Tank and Remediation Division

Office of Environmental Services

- Public Participation and Permit Support Services Division
- Air Permits Division
- Water Permits Division
- Waste Permits Division

Office of Management and Finance

- Support Services
- Financial Services
## Comparison to Total State Budget FY 14-15

<table>
<thead>
<tr>
<th>Means of Finance</th>
<th>Department of Environmental Quality</th>
<th>Total State Budget</th>
<th>% of Total State Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>State General Fund</td>
<td>$495,377</td>
<td>$8,617,600,000</td>
<td>0.0%</td>
</tr>
<tr>
<td>Interagency Transfers</td>
<td>$1,073,300</td>
<td>$1,767,132,013</td>
<td>0.1%</td>
</tr>
<tr>
<td>Fees and Self-Gen. Rev.</td>
<td>$105,000</td>
<td>$3,861,523,669</td>
<td>0.0%</td>
</tr>
<tr>
<td>Statutory Dedications</td>
<td>$104,736,046</td>
<td>$4,065,764,569</td>
<td>2.6%</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>$22,095,899</td>
<td>$9,886,615,632</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>TOTAL MOF</strong></td>
<td><strong>$128,505,622</strong></td>
<td><strong>$28,198,635,883</strong></td>
<td><strong>0.5%</strong></td>
</tr>
<tr>
<td>Authorized Positions</td>
<td>691</td>
<td>53,109</td>
<td>1.3%</td>
</tr>
</tbody>
</table>
# Means of Finance

<table>
<thead>
<tr>
<th>Means of Finance</th>
<th>Actual Expenditures FY 12-13</th>
<th>Existing Operating Budget FY 13-14 (12/1/13)</th>
<th>Executive Budget Recommended FY 14-15</th>
<th>Change from FY 13-14 to FY 14-15</th>
<th>Percent Change from FY 13-14 to FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>State General Fund</td>
<td>$484,712</td>
<td>$495,377</td>
<td>$495,377</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Interagency Transfers</td>
<td>$1,404,612</td>
<td>$2,251,869</td>
<td>$1,073,300</td>
<td>($1,178,569)</td>
<td>(52.3%)</td>
</tr>
<tr>
<td>Fees and Self-Gen Rev</td>
<td>$30,359</td>
<td>$105,000</td>
<td>$105,000</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Statutory Dedications</td>
<td>$81,497,565</td>
<td>$97,783,139</td>
<td>$104,736,046</td>
<td>$6,952,907</td>
<td>7.1%</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>$17,385,767</td>
<td>$22,789,400</td>
<td>$22,095,899</td>
<td>($693,501)</td>
<td>(3.0%)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$100,803,015</td>
<td>$123,424,785</td>
<td>$128,505,622</td>
<td>$5,080,837</td>
<td>4.1%</td>
</tr>
<tr>
<td>Authorized Positions</td>
<td>762</td>
<td>700</td>
<td>691</td>
<td>(9)</td>
<td>(1.3%)</td>
</tr>
</tbody>
</table>

## Significant Adjustments

- **Interagency Transfers**
  - Non-recur Deepwater Horizon expenditures
  - **$1.18M**

- **Statutory Dedications**
  - Net increase in statewide performance, retirement, and salary base rate adjustments
  - **$6.95M**

- **Federal Funds**
  - Means of Financing substitution to replace Federal Funds with various statutory dedication funds
  - **$693,501**

- **Authorized Positions**
  - Eliminates 2 vacancies in Office of Secretary, 4 in Environmental Compliance, and 3 in Environmental Services
  - **9 T.O.s**
10-Year Budget History

DEPARTMENT OF ENVIRONMENTAL QUALITY
(Total Funding)

Fiscal Year

Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/13
**Governor's Executive Budget Recommendation
Major Sources of Revenues FY 14-15

Interagency Transfers - $1.1 Million

- Hurricane Demolitions
- Seafood Safety

Statutory Dedications - $104.7 Million

- Environmental Trust Fund $62.7 M
- Motor Fuels Fund $24.4 M
- Waste Tire Management Fund $11.2 M
- Hazardous Waste Site Cleanup Fund $3.8 M
- Clean Water State Revolving Fund $2.3 M

Federal Funds - $22.1 Million

- Environmental Protection Agency (EPA)
- Louisiana Clean Diesel Grant $0.25 M
- Water Pollution Control Grant $12.18 M
- Air Pollution Grant $3.13 M
- Leaking Underground Storage Tank Grant $6.47 M
- U.S. Department of Energy
## Major Sources of Revenues FY 14-15

### Interagency Transfers - $1.1 Million
- Hurricane Demolitions
- Seafood Safety

### Statutory Dedications - $104.7 Million
- Environmental Trust Fund: $62.7 M
- Motor Fuels Fund: $24.4 M
- Waste Tire Management Fund: $11.2 M
- Hazardous Waste Site Cleanup Fund: $3.8 M
- Clean Water State Revolving Fund: $2.3 M

### Federal Funds - $22.1 Million
- Environmental Protection Agency (EPA)
  - Louisiana Clean Diesel Grant: $0.25 M
  - Water Pollution Control Grant: $12.18 M
  - Air Pollution Grant: $3.13 M
  - Leaking Underground Storage Tank Grant: $6.47 M
- U.S. Department of Energy
## Expenditure Breakdown

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FY 12-13 Actual Expenditures</th>
<th>FY 13-14 Existing Operating Budget (12/1/13)</th>
<th>FY 14-15 Executive Budget Recommendation</th>
<th>Change from FY 13-14 to FY 14-15</th>
<th>Percent Change from FY 13-14 to FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$40,647,767</td>
<td>$37,281,771</td>
<td>$38,312,646</td>
<td>$1,030,875</td>
<td>2.8%</td>
</tr>
<tr>
<td>Other Compensation</td>
<td>$159,444</td>
<td>$251,043</td>
<td>$251,043</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Related Benefits</td>
<td>$17,977,419</td>
<td>$17,354,589</td>
<td>$22,064,074</td>
<td>$4,709,485</td>
<td>27.1%</td>
</tr>
<tr>
<td>Travel</td>
<td>$367,425</td>
<td>$500,163</td>
<td>$308,163</td>
<td>($192,000)</td>
<td>(38.4%)</td>
</tr>
<tr>
<td>Operating Services</td>
<td>$3,003,698</td>
<td>$3,592,296</td>
<td>$3,582,296</td>
<td>($10,000)</td>
<td>(0.3%)</td>
</tr>
<tr>
<td>Supplies</td>
<td>$972,964</td>
<td>$1,026,105</td>
<td>$1,036,544</td>
<td>$10,439</td>
<td>1.0%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$3,039,250</td>
<td>$4,141,191</td>
<td>$4,141,191</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other Charges</td>
<td>$34,308,360</td>
<td>$59,135,329</td>
<td>$58,556,208</td>
<td>($579,121)</td>
<td>(1.0%)</td>
</tr>
<tr>
<td>Acq/Major Repairs</td>
<td>$326,688</td>
<td>$142,298</td>
<td>$253,457</td>
<td>$111,159</td>
<td>78.1%</td>
</tr>
<tr>
<td>Unallotted</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>$100,803,015</strong></td>
<td><strong>$123,424,785</strong></td>
<td><strong>$128,505,622</strong></td>
<td><strong>$5,080,837</strong></td>
<td><strong>4.1%</strong></td>
</tr>
</tbody>
</table>

**Salaries/Related Benefits**
- Increasing despite the elimination of 9 authorized positions because of increases in performance adjustments, retirement rate adjustments, salary base adjustments, and employer insurance rate adjustments

**Other Charges**
- Non-recurs Deepwater Horizon expenditures

**Acquisitions/Major Repairs**
- Non-recurs replacement vehicles
7-Year Expenditure History

**Personal Services (In Millions)**
- 2008-09: $63.9
- 2009-10: $64.6
- 2010-11: $63.9
- 2011-12: $61.8
- 2012-13: $61.8
- 2013-14: $58.8
- 2014-15: $54.9

**Operating Expenses (In Millions)**
- 2008-09: $6.6
- 2009-10: $5.5
- 2010-11: $4.7
- 2011-12: $4.4
- 2012-13: $4.3
- 2013-14: $5.1
- 2014-15: $4.9

**Professional Services (In Millions)**
- 2008-09: $3.3
- 2009-10: $3.2
- 2010-11: $3.3
- 2011-12: $3.3
- 2012-13: $3.0
- 2013-14: $4.1
- 2014-15: $4.1

**Acquisitions & Major Repairs (In Thousands)**
- 2008-09: $1,826.2
- 2009-10: $640.0
- 2010-11: $491.4
- 2011-12: $340.0
- 2012-13: $326.7
- 2013-14: $142.3
- 2014-15: $253.5
7-Year Expenditure History (in millions)

Other Charges
(In Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>08-09</td>
<td>$42.6</td>
</tr>
<tr>
<td>09-10</td>
<td>$43.6</td>
</tr>
<tr>
<td>10-11</td>
<td>$44.8</td>
</tr>
<tr>
<td>11-12</td>
<td>$37.1</td>
</tr>
<tr>
<td>12-13</td>
<td>$34.3</td>
</tr>
<tr>
<td>13-14</td>
<td>$59.1</td>
</tr>
<tr>
<td>14-15</td>
<td>$58.6</td>
</tr>
</tbody>
</table>

Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/13
**Governor's Executive Budget Recommendation

Karen L. Auguste  225-342-2444  Department of Environmental Quality  House Fiscal Division
Significant Adjustments

$5.1 M
SD

Net increase of $5,080,837 in total funding primarily due to an increase in Personal Services. ($373,610 in the Office of the Secretary, $1,608,255 in the Office of Environmental Compliance, $1,359,474 in the Office of Environmental Services, and $2,399,021 in the Office of Management & Finance)

$1.1 M
IAT

Non-recurs expenditures from BP funds in the Office of Environmental Compliance associated with the Deepwater Horizon oil spill disaster.

$500,000
SD

Non-recurs funds from the statutorily dedicated Brownfields Revolving Loan Fund in the Office of Environmental Compliance. Loans were provided to private entities for the expansion, redevelopment, or reuse of properties complicated by the presence or potential presence of hazardous substances, pollutants, or contaminants. DEQ expended the program’s remaining funds in FY 14.

$272,013
SD

Annualization of Executive Order BJ 14-1 Hiring Freeze for 3 positions. (1 each in the Office of the Secretary - $97,780; in the Office of Environmental Compliance - $89,583; and in the Office of Environmental Services - $84,650)
### Discretionary/Nondiscretionary Funding in FY 14-15 Executive Budget

<table>
<thead>
<tr>
<th>Programs</th>
<th>TOTAL FUNDING - $128,505,622</th>
<th>STATE GENERAL FUND - $495,377</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Discretionary</td>
<td>Non-Discretionary</td>
</tr>
<tr>
<td>Office of the Secretary</td>
<td>$ 9,694,380</td>
<td>$ 3,000,000</td>
</tr>
<tr>
<td>Office of Environmental Compliance</td>
<td>$ 41,478,297</td>
<td>$ 95,323</td>
</tr>
<tr>
<td>Office of Environmental Services</td>
<td>$15,998,558</td>
<td>$ 520,000</td>
</tr>
<tr>
<td>Office of Management and Finance</td>
<td>$ 50,199,331</td>
<td>$ 7,519,733</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$ 117,370,566</td>
<td>$ 11,135,056</td>
</tr>
</tbody>
</table>

* The discretionary State General Fund in DEQ's budget is **002809%** of the total discretionary State General Fund recommended for FY 14-15.
Discretionary/Nondiscretionary Funding in FY 14-15 Executive Budget

Total Dept of Env. Quality Budget $128.5 Million

- Statutory Dedications $104.7 Million

- Self-Generated Revenue $0.10 Million

- Federal $22.1 Million

- State General Fund $0.5 Million

Non-Discretionary $0

Office of the Secretary $0.5 Million

Subtract $1.1 Million IAT (Interagency Transfer Double Count)

$127.4 Million Available
FY 14-15 SALARIES/POSITIONS

- $38.5 million for Salaries and Other Compensation
- $22.1 million for Related Benefits
- Total Personnel Services = $60.6 million; 86.7% of the Department of Environmental Quality’s total Executive Budget Recommendation (excluding Other Charges)

- 691 Authorized Positions (682 classified and 9 unclassified)
- 0 full-time non-T.O. positions
- 0 Other Charges positions

- As of 12/27/2013, the Department of Environmental Quality had 38 vacancies. The Executive Budget eliminates 9 of those vacant positions.
Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

Source: Prepared by House Fiscal Division staff using information from ISIS-HR

Karen L. Auguste  225-342-2444  Department of Environmental Quality

House Fiscal Division
Salaries and Positions

FY 13 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service

Karen L. Auguste  225-342-2444  Department of Environmental Quality

House Fiscal Division
## Salaries and Positions

**FY 13 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE**

<table>
<thead>
<tr>
<th>Agency</th>
<th>FY 13 UNCLASSIFIED AVERAGE PAY PER FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXEC</td>
<td>$0</td>
</tr>
<tr>
<td>DOTD</td>
<td>$50,000</td>
</tr>
<tr>
<td>ATT GEN</td>
<td>$62,491</td>
</tr>
<tr>
<td>SPEC SCHL</td>
<td>$62,491</td>
</tr>
<tr>
<td>PUB SERV</td>
<td>$62,491</td>
</tr>
<tr>
<td>HI ED</td>
<td>$62,491</td>
</tr>
<tr>
<td>SEC STATE</td>
<td>$62,491</td>
</tr>
<tr>
<td>DEPT ED</td>
<td>$62,491</td>
</tr>
<tr>
<td>DNR</td>
<td>$62,491</td>
</tr>
<tr>
<td>HCSD</td>
<td>$62,491</td>
</tr>
<tr>
<td>CRT</td>
<td>$62,491</td>
</tr>
<tr>
<td>CIV SERV</td>
<td>$62,491</td>
</tr>
<tr>
<td>VETS</td>
<td>$62,491</td>
</tr>
<tr>
<td>LT. GOV</td>
<td>$62,491</td>
</tr>
<tr>
<td>AG &amp; FOR</td>
<td>$62,491</td>
</tr>
<tr>
<td>ECON DEV</td>
<td>$62,491</td>
</tr>
<tr>
<td>CORREC</td>
<td>$62,491</td>
</tr>
<tr>
<td>WLF</td>
<td>$62,491</td>
</tr>
<tr>
<td>REV</td>
<td>$62,491</td>
</tr>
<tr>
<td>PUB SAF</td>
<td>$62,491</td>
</tr>
<tr>
<td>DEQ</td>
<td>$110,955</td>
</tr>
<tr>
<td>DCF</td>
<td>$110,955</td>
</tr>
<tr>
<td>TREAS</td>
<td>$110,955</td>
</tr>
<tr>
<td>INSUR</td>
<td>$110,955</td>
</tr>
<tr>
<td>LABOR</td>
<td>$110,955</td>
</tr>
<tr>
<td>DHH</td>
<td>$110,955</td>
</tr>
</tbody>
</table>

Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service

Karen L. Auguste  225-342-2444  Department of Environmental Quality  House Fiscal Division
# Department Contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peggy Hatch</td>
<td>Secretary</td>
<td>225-219-3950</td>
</tr>
<tr>
<td>Vince Sagnibene</td>
<td>Undersecretary</td>
<td>225-219-3840</td>
</tr>
</tbody>
</table>